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THE HON. SRI J. L. P. ROCHE VICTORIA :—" The Government of India originally sanctioned a sum of Rs. 210·43 lakhs as food bonus to Madras State on the quantities of foodgrains procured during the period November 1947 to February 1949. Out of this, a sum of Rs. 66·63 lakhs was adjusted to meet the losses incurred by this Government on the distribution of foodgrains procured from extra provincial sources in India during the period November 1947 to October 1948 and there was a balance of Rs. 143·80 lakhs pending adjustment. Since March 1949 upto the end of February 1950 a further sum of Rs. 183·92 lakhs has been estimated as due to this Government from the Government of India on the further quantities of foodgrains procured during that period. Thus the total amount available in the bonus fund for adjustment in favour of this State at the end of 1949–50 is estimated at Rs. 327·72 lakhs (143·80 + 183·92). The Government of India have since agreed to adjust from this bonus fund a sum of Rs. 228·67 lakhs representing the estimated total subsidy cost of approved Intensive Cultivation schemes in this State for the year 1949–50. The actual subsidy cost incurred on these schemes during 1949–50 is now being worked out, for the purpose of getting the necessary adjustment made by the Accountant General, Madras. The question of moving the Government of India to permit this Government to adjust the balance available in the bonus fund to the credit of this State against the further losses incurred by this Government on the distribution of food grains imported from extra Provincial Sources during 1949–50 is now engaging the attention of this Government."

State-aid to Messrs. Mohan Industries, Limited, Tenali.

* 17 Q.—SRI R. SURYANARAYANA RAO: Will the Hon. the Minister for Industries be pleased to state—

(a) whether any State-aid was given to the Messrs. Mohan Industries, Limited;

(b) if the answer to (a) is in the affirmative, the purpose for and the conditions under which the aid was given;

(c) whether the amount sanctioned has been disbursed;

(d) whether the Government satisfied themselves that the conditions of the grant were fulfilled before the amount was disbursed;

(e) whether the Government are aware that there are complaints that in this case the amount was disbursed before the fulfilment of conditions stipulated; and

(f) whether the Government will make a statement setting forth the facts of the case?

THE HON. SRI K. MADHAVA MENON (on behalf of the Hon. Sri C. Perumalswami Reddi) :—" (a) Yes, Sir.

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"(b) A copy[a] of the Government Order which contains the particulars is placed on the table of the House.

"(c) Yes, Sir.

"(d) The Government sanctioned the loan subject to certain conditions and it is the duty of the Director of Industries and Commerce to disburse the loan after the conditions are satisfied.

"(e) The Government are not aware of any such complaints; but a reference to such non-compliance was made on 11th August 1949 on the floor of the Assembly by an honourable member of the House in a supplementary question. The question was answered by the Hon. the Minister for Industries at the time.

"(f) In view of the answers given above, the Government do not consider it necessary to make any statement, as suggested."

SRI B. BHIMA RAO :—" Sir, was any preliminary test made that this area was suitable for the manufacture of bricks, tiles and so forth? "

THE HON. SRI K. MADHAVA MENON :—" The board which sanctioned the loan must have satisfied itself that the necessary materials would be available in that area."

SRI B. BHIMA RAO :—" Sir, in Bellary it turned out that the area is not suitable for the manufacture of bricks and tiles subsequent to the giving of the loan by the State; and so, the sum of fifty thousand rupees sanctioned as loan was not utilized."

THE HON. SRI K. MADHAVA MENON :—" Sir, the location of this industry is not in Bellary. It is in Tenali; and I think, Tenali is in the Guntur district; so a different place altogether."

SRI B. BHIMA RAO :—" But the geological area seems to be the same in both places. "

SRI R. SURYANARAYANA RAO :—" May I know when the Government came to know that payment was made without the fulfilment of the conditions stipulated? "

THE HON. SRI K. MADHAVA MENON :—" Government came to know that one of the conditions was not completely fulfilled; that is, a personal bond had to be given by the managing director. Government came to know that it was a mere omission. As soon as it was pointed out the firm executed the undertaking for personal liability, and now, all the conditions have been satisfied."

SRI B. BHIMA RAO :—" Are Government aware that in several cases, directors have been asked to give as security their own personal property besides the property covered by the company; while in this case, only personal security has been asked and taken? "

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[a] Printed as Appendix I on pages 296–297 infra.

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THE HON. SRI K. MADHAVA MENON :—" Possibily, in the present case, there was sufficient personal property to cover the entire liability and that was sufficient to satisfy the requirements of the rule."

SRI R. SURYANARAYANA RAO :—" May I know what steps the Government take to see that the rules laid down by them are carried out, since it is seen from the present case that certain rules were not observed and may I also know when this was discovered? "

THE HON. SRI K. MADHAVA MENON :—" As I said, there was only one condition which was not satisfied when the loan was disbursed, and that was the security bond or the personal liability by the directors. I cannot give the exact date when it was discovered. I can only say that as soon as it was found out the directors were asked to give the security bond and it was given."

SRI R. SURYANARAYANA RAO :—" May I know whether Government realize that this attempted grant of loan without fulfilling the conditions is grossly wrong, and may I know what steps have been taken by Government to deal with the officer who was responsible for this? "

THE HON. SRI K. MADHAVA MENON :—" It was not such a gross wrong as my friend wants to make out; it was only an omission. And as soon as the directors were informed of it they have executed the security bond. In such cases the head of the department concerned would take necessary action against the officer responsible for such omission."

SRI R. SURYANARAYANA RAO :—" May I know whether Government take any pains to see that the conditions laid down by them are fulfilled, that is, in cases like the present. When they entrust their officers with the task of scrutiny, do Government take pains to see that they scrutinize properly; or is it a fact that no action is taken by them unless there is a complaint in this behalf? "

THE HON. SRI K. MADHAVA MENON :—" In this particular case it is not a case of an officer's order not being carried out by his subordinate. It is a case of omission. Mistakes sometimes do happen because all of us are human beings. And as soon as the omission was found out, it was rectified."

SRI R. SURYANARAYANA RAO :—" May I know whether the factory is now manufacturing bricks and tiles? "

THE HON. SRI K. MADHAVA MENON :—" Notice. "

SRI R. SURYANARAYANA RAO :—" Have not Government nominated their own director on the board of directors of this factory? "

THE HON. SRI K. MADHAVA MENON :—" No, Government nominate their director only in cases where the loan exceeds two lakhs."

SRI R. SURYANARAYANA RAO :—" Then may I know what effective steps are being taken by them to see that loans given under State Aid to Industries Act are properly utilized? "

THE HON. SRI K. MADHAVA MENON :—" If there is no nominee of Government on the board it does not mean absence of effective steps. Effective steps are being taken even now. There are rules framed for such cases, and those rules are being observed."

SRI R. SURYANARAYANA RAO :—" Are not the Government kept informed by the Director of Industries about the working of the various factories to which State aid has been given? " 11-15 a.m.

THE HON. SRI K. MADHAVA MENON :—" Periodical reports are being received."

SRI R. SURYANARAYANA RAO :—" If that is so, why do the Government say that they do not know whether the Mohan Industries are manufacturing bricks, tiles, etc., or not? "

THE HON. SRI K. MADHAVA MENON :—" I said that standing here and off-hand I could not say as the paper was not available with me."

UNSTARRED QUESTIONS.

Quantity of hydro and thermal electrical energy produced in the State.

1 *Q.*—SRI R. SURYANARAYANA RAO : Will the Hon. the Minister for Public Works be pleased to state—

(*a*) the quantity of hydro and thermal electrical energy produced by (1) the Government, and (2) private licensees;

(*b*) what the percentage is of energy supplied to (1) urban and (2) rural areas;

(*c*) what is the percentage of energy supplied to (i) industry, (ii) irrigation including water-lifting for cultivation purposes, (iii) cinemas, (iv) theatres and (v) lighting purposes, public and private; and

(*d*) the number of pump-sets for which energy was made available in 1948–49 and 1949–50 by the Government and by the private licensees (districtwar)?

A.—(*a*)

		1946–47.	1947–48.	1948–49.	1949–50.
		(Generation in millions of units.)			
(1) Government Electricity department—					
Hydro	..	297·86	356·22	436·77	463·09
Thermal	..	19·79	78·14	132·63	142·71
(2) Licensees—					
Hydro	..	..	..	..	..
Thermal	..	91·03	32·92	6·73	6·12